37

G. R. S. IX-5]

Previous references.

1919-20.

(C.P)

File No. 79

Serial Nos. 417 & 418

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Nil

Part B for January 1921

SUBJECT.

Report on the audit of Food Supply a/cs.

Sl 418) 20. The Comptr & Asst
& Food Controller in Mysore
& Dy Comr, Bangalore
No G 4163-5 Dt 20-1-21
Records with Abstract Observations
letter regd & Sl 417

WD 2233—GPB—20,000—14-6-20

GENERAL AND REVENUE SECRETARIAT.

NOTES.

6-19

File No. ~~96-19~~

FILE HEADING.

Report on the audit of Food Supply Accounts.

From

The Comptr.

No. F 18-20 Dated 15.7.20 Received 17.7.20

Diary No. 313	Enclos. — Spare Copies. —	Serial No. ~~8~~ 417

BRIEF ABSTRACT OF LETTER.

Forwards the report on the audit of accounts maintained in the Dt. Depot, Bangalore, in connection with Food Supply operations in the B'lore Dt for the period ending 15.1.20 & states that the (1) Stock Account has not been properly maintained (2) No ledger

NOTES AND ORDERS.

account has been maintained for the transactions with Food Controller (3) Counterfoil receipts were found of unattested alterations & overwritings and submitted a stt of advance Account with the Current account & states that it has resulted in a net loss of Rs.

G. R. S. III-2)

General and Revenue Secretariat.

File No. 6

Serial No.

2108-1570 to Govt & that Copies of audit report & its accompaniments have been forwarded to the F. C. & D. C. B'lore., for information & needful action subd

Food Supply reports are being sent to Chief Secll for taking necessary action. ~~May~~ this may also be sent there.

5-11/6/8 24/7 Ter 2077 H Srey)

mad 5/9/20

Smk 7.8.20

53 44

SECRETARIAT POLITICAL BRANCH. 18 AUG. 1920

Chief Secy)

mad 17/8

The file may be sent to the F.C. for favour of remarks subd

19/8/20

Chief Secy)

W.O. No. 48

forwarded with compliments & the file (returned) for favour of remarks.

Bowden

23/8/20 Forchhammer

OFFICE OF THE FOOD CONTROLLER AND DIRECTOR OF CIVIL SUPPLIES IN MYSORE

RECD AUG 24 1920

No..... NOTE—Contn. sheet.

Enclosures if any

G. R. S. III-2.

General and Revenue Secretariat.

M File No. 6 of 1919

3344/78

Serial No.

I.O. No. C.22 dated 23-10-20.

The principal defects referred to by the Comptroller in the audit report are (1) that the accounts are not properly maintained (2) that against the stock worth R^s 4,90,381-9-11 shown as issued in the Food Controller's accounts, the District Depot has taken credit for only R^s 4,77,545-13-0 and (3) that the transactions have resulted in a loss of R^s 2,018-15-10.

2. The Deputy Commissioner whose remarks were called for explains in his letter dated 10th September 1920 (a copy of which is placed on the file) that the frequent change of depot clerks which was necessitated by the want of competent men and their lack of experience in proper bookkeeping are responsible for the omissions and mistakes pointed out in the audit report in connection with the maintenance of accounts and that more frequent auditing of the accounts then and there would have set matters right. Notwithstanding the difficulties complained of, which indeed were not peculiar to Bangalore, I think that with more strict supervision and guidance by the officers put in charge of the depot, the accounts could have been kept in a better manner. The Comptroller complains that the stock account is not properly

properly maintained and that the counterfoil receipts are full of unattested alterations and overwritings. These defects could certainly have been avoided.

3. The audit report refers to differences between the debits in my accounts and the credits in the District Depot accounts. The Assistant Comptroller classifies the differences under two heads and gives the following figures.-

	Food Controller's debit.	Deputy Commissioner's credit	Difference
		Rs.	Rs.
(1) For Supplies from the Provincial Grain Depot, Bangalore	54,654	52,975	-1679
(2) -do- Madras direct	4,35,727	4,24,570	-11,157
Total	4,90,381	4,77,545	-12,836

On scrutiny I find that the analysis of accounts on which the above is based is rather inaccurate as some supplies made from the Provincial Grain Depot have been wrongly included in the supplies from Madras. Moreover there is no comparative statement showing the corresponding credits and debits as to supplies from the Provincial Grain Depot. The correct figures as per my accounts are noted below ~~against the figures given in~~

	Rs.
(1) Supplies from the Provincial Grain Depot (net, i.e., after deducting value of stocks returned).	1,04,555
(2) Supplies from Madras Harbour	3,85,798
Total	4,90,353

In arriving at the above figures all the adjustmen claimed in the memo enclosed with the Deputy

Deputy Commissioner's letter No.695dated 2nd July 1919 (copy placed on the file) have been effected. Thus the actual debit in my accounts is less than what is given in the audit note to the extent of Rs 28-14-0, so that the net loss is Rs 1,990-1-10 against Rs 2,018-15-10 mentioned in the audit note. This loss would certainly not have occurred if the District Depot had debited itself with the full and correct value of the stocks handed to it.

5. In regard to the differences between the debits in my accounts and the credits in the District Depot accounts the audit note refers to the omission to send regular invoices with all consignments. This is a point which has been raised by the Comptroller, and answered by me more than once vide para 4 of my Unofficial Note No. 441 dated 22nd July 1920. In the present case the facts are as follows:-

6. The supplies to the district depot were in three ways (1) Supplies from the Provincial Grain Depot, Bangalore, (2) Supplies direct from Madras through licensed importers (3) Supplies from Madras out of direct imports by Government.

In the case of issues from the Provincial Grain Depot, for all issues subsequent to the 22nd January 1919, regular invoices have invariably accompanied the stocks and the acknowledgments of the District Depot have been obtained. In regard to supplies prior to this date (i.e. in the month of December 1918 and part of January 1919) invoices were not sent as no forms had been prescribed or

or brought into use.

As regards supplies of the second class under the arrangements whereby licensed importers were to consign goods direct from Madras to the several depots, it was naturally impossible for this office to send a regular invoice for each consignment. In all such cases, the number of bags ordered to be sent and the price per weight were previously communicated to the consignees who were asked to debit themselves with the value of the quantity (weight) actually received by them at the rate which was previously intimated When the quantity received by them was intimated to this office they have been debited here with the cost calculated on exactly the same basis! In these circumstances it is not possible to understand how the value adopted in the District Depot accounts could differ from that in my office books.

In regard to supplies direct from Madras out of imports by Government, the rate fixed and intimated was with reference to the numbe of bags supplied irrespective of the actual quantity contained therein, as all shortages in transit had to be borne by Government. This ~~fact~~ was clearly explained to all consignees and there is no reason why the District Depot should have debited itself with a smaller amount than the debit appearing in

in my books. The total value of the consignment should have been calculated at the rate given by me and the sale price ought to have been fixed with reference to the actual quantity contained in the bags.

7. The depot has failed to carry out the instructions given to ascertain the actual quantity of the stocks received by them (vide para 4 of the Deputy Commissioner's letter) and hence the sale price fixed is inaccurate, and this has led to the losses pointed out in the audit report.

8. The audit report would have been more useful if it had gone into the question of what stocks were really received in the depot and whether all stocks have been properly accounted for. As the particulars of "transfers to other depots" are not given it is not possible to ascertain whether the quantities shown as consigned to taluk depots have been received and acknowledged by the depots. This is really a most important point to be dealt with by the local audit staff as I have pointed out before.

Camp Mysore,
23rd Oct. 1920.

Food Controller & Director of Civil Supplies in Mysore.

To
The Chief Secretary, with compliments.

Letter No.F.C.50 dated 10th September 1920 from the Deputy Commissioner, Bangalore District, to the Food Controller and Director of Civil Supplies in Mysore, Bangalore.

With reference to your letter No.558 dated the 26th July 1920, requesting me to forward a report explaining the veral points raised in the audit report of the Bangalore Dis ct Grain Depo , received from the Comptroller to Governme with his letter No.F.18-20 dated 24th June/15th July 1920, I ave the honour to state as follows:-

2. The frequent change of depotsclerks for want of com tent men and their lack of experience in proper Book-keeping n a more or less commercial transaction like the present c mostly account for the omissions or mistakes pointed ou in the audit report in connection with the maintenance of ount As ~~my~~ experience was gained, some of these mistakes wer radu rectified; b t frequent auditing of the accounts then a ther would perha have set matters right.

3. The dif erences existing between the stock issues shown in you ledger and the depot accounts both under quantit and cost are, as observed by the Comptroller due to the absenc egular invoices accompanying each consignment, specificall entioning the sum debited to the District Depot in each case, nd a periodical reconciliation of the balance in your books ith that shown in the depot accounts. Invoices were not received egularly even in the case of stocks supplied from the Provincial epot. Granting that the issue rate had been fixed, in accordance ith your instructions, there was bound to be some loss in very consignment, since the quantity of rice actually receive t the depot fell short of that shown in your ledger, due to umber of slack bags received with each consignment and to

4. With regard to the objection that, while the issues are shown [illegible] receipts are [illegible] was an imp[illegible] as they were received from the Railway Station, before they were taken inside the depot, that the weight obtained by weighing the rice by whole waggons on railway weigh-bridges could have been only approximate and could not have been made the basis of payment, as already observed by you in your letter No.A.409-19 dated 28th August 1919 and that the actual quantity of rice received in each consignment could not be determined until all the bags of the consignment were actually issued. Hence, the omission to state the pounds in the case of receipts. The average and actual weight statements were forwarded to you in respect of every consignment.

5. As regards certain figures in the statements attached to the final report of the Depot Officer, it will be observed that hey were not prepared by qualified accountants and that some f them could perhaps have been reconciled if the auditor had sked for explan[illegible]

6. In the cas[illegible] ems to assume [illegible] ack bags into [illegible] ighed exactly [illegible] expect. In n[illegible] ighing 225 lbs.

[illegible] bags, the rest invariably weighing less than 225 lbs [illegible] number of slack bags received in this allotment [illegible] 1500 and most of these bags were not only half [illegible] full, but also were leaky and in a damaged condition [illegible] might have observed when you visited the District

District Depot in the month of November 1919, 324 of such bags were emptied in converting the remaining slack bags into full ba[illegible] Then again the wastage and the leakage which could not be[illegible]ented owing to the torn condition of the b[illegible] th[illegible]e being conveyed from the Railway station [illegible]epot ap[illegible] to have been entirely left out of conside[illegible] A net loss of Rs 2,018-15-10 is shown in t[illegible]tions. In [illegible]g this loss, a sum of Rs 834-14-0 which wa[illegible] been cre[illegible] to the District Depot account as pointed [illegible]u in thi[illegible]ice letter No.F.C.695 dated 4th July 1919 [illegible]aximum was [illegible] of 3 per cent over the whole stock receiv[illegible] depot whi[illegible]s been allowed by Government, do not seem [illegible]een taken into account by the Assistant Comptroller. [illegible]d any experience of such transactions. Some allowance h[illegible] made to the novel conditions under which the District Depot had to be worked. When all these things are considered, a small loss of Rs 1,200 or so, in a concern of about 5 lacs is not much. But even this loss could perhaps have been avoided, if the rate on the last consignment, which was fixed at Rs 17-8-0 per bag of 225 lbs. with a view to induce the merchants to buy up the stock of more than 8,000 bags, which was then at the depot, had been raised a little higher (say at Rs 18). This would certainly have not been much, as it is understood that some of the merchants sold the bags at a profit of 2 or 3 rupees per bag immediately after taking delivery of the rice at the depot.

8. In the above circumstances, I would recommend that the loss shown in the audit report may, with the sanction of Government, be written off the accounts.

With reference to your letter No.100 [illegible] the 29th. May 1919 f rwarding a bill for Rs 29,589- [illegible] the amount due to the Provincial Depot for grain su [illegible] he Bangalore District D pot up to the end of April 1919, I have the [illegible] to state t at, as per account of the District Depot th [illegible] lue is Rs 2 ,744-6-9 only but not Rs 29,589-12-10 as cla [illegible] in the bil .

The dif erence of Rs 834-14-1 is explained in the ac [illegible] nemo.

2.1300 ags of Burma rice were stocked in the Distri [illegible] out of wh ch only 590 bags of rice were issuec [illegible] Depot on he dates given in the margin.

3. A s m of Rs 10-8-0 which should have beer [illegible] the Distr ct Depot account has been left out [illegible] of the Pr vincial Depot as detailed below:-

on 13 h Dece
on 27 h Marc

A sum f Rs 15 [illegible] returned o the [illegible] acknowledged on [illegible] bill.

4. Annas 4 pai [illegible] towards cart hir [illegible]

M E M O.

Balance as per Provincial Depot Bill		Rs 29,579- 4-10
Balance as per District Depot Ledger		Rs 28,744- 6- 9
Difference		Rs 834-14- 1
Cost of 595 bags of 84 seers charged instead of 590 bags of 84 seers: charged 482.95 seers or 16.85 pallas charged in excess at Rs 22-8-0	Rs 379- 2- 0	
Cost of 19.42 pallas withdrawn less in the 705 bags	Rs 436-15- 2	
Cost of 5 gunny bags charged in excess	8-12- 0	
Cost of 68 seers of broken rice returned on 13th March 1919, but omitted in the Provincial Grain Depot bill	15- 4-10	
	Rs 835- 2- 0	
Cartnire paid by the Provincial Grain Depot and omitted in the bill	0- 4- 0	
Less cart hire paid by the Provincial Grain Depot:		

Copy"

Food Controller & Directo
of Civil Supplies in Mysor

G. R. S. III-2]

3344

General and Revenue Secretariat: | 16 File No. 6 of 19 9

Serial No.

CONTROLLER'S OFFICE Rec'd No: 153 10 NOV 1920 Fm LORE.

Submitted for orders. The F.C. has clearly explained the reasons for the large differences in the assets pointed out in the audit report, and thinks that the report would have been more useful if the Audit had brought to light whether all the Stocks used in the Vehicle depots has been properly accted for. It is for consideration whether the remarks of the Comptroller may be obtd on this point, or whether a draft may be put up reviewing the report

MK 25/11/20

Chief Secy) Yes. Comptr may be consulted

CK

Forwarded with Compliments & the Comptr's for favour of remarks.

A.O

W Kennaway Jr

For Chief Secy

GEN & REV. SECT. Ch Secy Coll 29 NOV 1920

Rec'd No: 153/R J. 67 dt/20 29-11-1920

The difference of Rs.28-14-0 between the figures of the Audit Report and those of the Food Controller are due to the following causes:-

(1) Value of 1 bag of Broken rice found in the consignment of whole rice returned to the Provincial Grain Depot (68 seers) ---------- 15- 4-10

(2) Difference between the amount of invoice received and the debit in the Food Controller's Office Ledger in the cost of 100 bags of Broken rice received in August 1919 13r 9- 2.

Total---Rs.28-14- 0

G. R. S. III-2]

General and Revenue Secretariat.

File No. 16 of 1949

Serial No.

Item No.1, though appearing in the Day Book, was left out both in Food Controller's Ledger and his Bill, and hence, it was omitted in the audit report. It was, however, pointed out in the Objection Statement sent to the District Depot. (vide Item No.23).

In the case of Item No.2, the amount shown in the Invoice produced was accepted for the report. Now that the Food Controller withdraws these two excess debits, there is no objection for the same.

2. In regard to the remark of the Food Controller in para 8 of his Note, that the audit report would have been more useful if it had gone into the question of what stocks were really received in the Depot and whether all stocks received have been properly accounted for, it has to be stated that this information is invariably given in all Audit Reports, wherever it is available. In the present case also, the weights as per Railway invoices and that ~~were~~ actually received as shown in the District Depot accounts are given in the Stock Account attached to the Advance Statement. As for the stock transferred to Taluk Depots, a consolidated statement showing the quantities received from the several Depots and their disposal will be furnished with the Taluk Depot Accounts, which are under issue. This could not be furnished with the District Depot Report as the accounts of the Taluk Depots had not been audited at the time.

As regards the quantity to be accounted for by the District Depot, reference is invited to para 1 (1) of the letter to Government forwarding the Bangalore District Depot Audit Report, wherein, it is pointed out that in several cases the quantity shown as issued is taken as the quantity received and consequently the exact quantity of stock to be accounted for cannot be correctly stated. All possible information that could be gleaned by the Audit Staff from th Accounts and Registers maintained in the Depot, has been furnished and it is not understood what further particulars which the Audit Staff could have furnished has been omitted as observed by the Food Controller.

No definite standard has been fixed for converting lbs. into pallas and seers for the diffe kinds of rice as already pointed out in the Audi Report of the Kolar Taluk Depot (vide para 7, pa 5 of the Report) and the statements appended to the Audit Report while giving the receipts and issues in different denominations by weights or measures as entered in the several documents and books examined exhibit the differences between receipts and issues, only where the standard wei or measure adopted for recording the transactior is the same.

Satyanarayana Chetty
Comptroller.

26th November 1920.

Submitted
Mk
7.12.20

CHIEF SECRETARIAT
POLITICAL BRANCH
29 NOV. 1920

G. R. S. III-2]

3344

General and Revenue Secretariat. R. File No. 6 of 1919

Serial No.

Draft as per instructions noted.
Recd. 15/12/12
Revised.
Clean copy put up
Typed 16/12
Checked

As there are one or two points which are not quite clear to me, I discussed the points with Mr. Muddukrishnappa. It is seen that the difference is mostly due to want of proper understanding on the part of the Depot Authorities in regard to the fixing of sale prices by means of the Annual Consignments used by them. As a matter of fact it is to be gathered from the report that no list of shipment of toys was systematically undertaken nor any care bestowed to consider the fixing of the sale price after ascertaining right cost, price paid and incidental charges incurred. If these items had been attended to, the transaction probably would have shown a slight profit after the usual deduction of a certain percentage of shortage.

A draft order is sent for consideration.

(Chief Sec.) For approval. 18/12

Dewan 20/12

Draft approved by Dewan 23/12/19

DEWAN'S OFFICE.
Recd. on DEC 21 1920
Reg. No. 4352

G. R. S. III-2]

General and Revenue Secretariat.

File No. 6 of 1919.

Serial No.	
418	To The Comptroller The Food Controller The Deputy Cont. Bihar No. C/14143-5 & 20-1-21 Records with certain observation the letter ref'd to in 86.419.

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comm. please refer to
No. E. 18. 20

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 24th June 1920.

DIARY No. 313

FROM

T. Satyaraj Chetty Esq, B.A.,
~~Xxxx

(iii) Counterfoil receipts were full of unattested alterations and overwritings.

2. A statement of the Advance Account together with the usual Account Current, Balance Sheet and Profit and Loss Account is heretp attached, from which it will be seen that the transactions have resulted in a net loss of Rs.2,018-15-10 to Government. In this connection, it has to be stated that in the final report submitted to the Deputy Commissioner, Bangalore District, the District Depot Officer has shown a net profit of Rs.10,861-7-7 to Government. The difference of Rs.12,880-7-5 is mainly due to the fact that the cost of several consignments received from the Food Controller is credited in the District Depot Accounts far short of the amounts debited by the Food Controller, viz., Rs.4,77,545-13-0 against Rs.4,90,381-9-11 as shown above. Such differences could have been avoided if regular invoices or bills specifying quantity and cost had accompanied each consignment as promised in Food Controller's circular instructions, and there was a periodical reconciliation of the balance in the Food Controller's books with that shown in the District Depot accounts. Unless the cost price as noted in the Invoices issued by the Food Controller or as per bills from Contractors are taken in the books of the Depot, the claculation of gain or loss will be completely ~~misstated~~. Vitiated

3. Copies of the Audit Report and its accompaniments have been forwarded to the Food Controller and the Deputy Commissioner, Bangalore District, for information and needful action.

I have the honour to be,

Sir

Your most obedient servant,

T. Satyanarayana

Comptroller.

18 —

Note on the audit of the accounts connected with Food Supply Operations in the Bangalore District Depot for the period ending 15th January 1920.

Name of Auditor Mr. M.Narayana Rao.
Date of commencement. 13th February 1920.
Date of completion 17th March 1920.

Depot Officers:-
1. Mr.F.S.Raghava Char up to 12th March'19
2. Mr.S.Narayana Rao.

This Depot was opened under the orders of Government conveyed in their proceedings No. G.11690-5/PP.134-18-96 dated 16-12-1918

2.The transactions may be divided into two - periods, the first from 1st December 1918 to 31st March 1919, during which period the sales were small and confined chiefly to merchants, the daily requirements being obtained from the Provincial Depot and disposed of then and there, and the second period is from 1st April 1919 after which date Depots were opened at all Taluk Head Quarters on the authority of G.O.No. 26400-12/PP.134-16-113 dated 12-3-'19, and the transactions of the District Depot were with these Taluk Depots and CO-Operative Societies, as per G.O.No.11604-15/E.C.105-18 dated 27th May 1919.

3. The following registers were produced for inspection:-

1. Cash Book----- 2 Volumes
2. Ledgers for Taluk Depots.
3. -do- Co-operative societies.
4. Day Book.
5. Stock Register -- 2 Volumes.
6. Invoice Books -- 2 Volumes.

together with connected vouchers, records, etc.,

4. All minor irregularities and omissions noticed in the course of audit were rectified then and there, while those requiring furthur action are embodied in the accompanying Objection Statements, numbered 1 to 26 The more important ones are enumerated below.

CASH BOOK.

(1) The Cash Book was neither balanced nor closed either at the close of each day or every month up to 22-8-'19, and there are very many unattested overwritings and erasures. That portion relating to the month of April '19 in particular is one mass of confusion which arose from the fact that all credit transactions, which ~~ought~~ ought to have found a place in the Day Book and the Ledger only, have been brought on both sides of the Cash Book also

(2) Counterfoil receipts have been issued without the signature of any responsible Officer, i.e., the Depot Officer, up to 14-9-'19, and some of the receipts produced were all overwritten and the amounts entered therein subsequently altered.(vide Objn. Nos.1,2, & 22).

(3) Counterfoil receipts were not issued in several cases. (vide Objn.Nos.2,3, & 4).

(4) Some of the Counterfoils in the Receipt Books produced, were found to have been can-

cancelled with the remakk that their duplicates were either torn or not forthcoming. Such Books should have been examined before they were given out for use and a certificate as to the number of receipts contained therein recorded on the fly-leaf or cover by the Depot Officer himself.

(5) Two items of advances drawn on the dates noted in the margin, were not brought on the Cash Book, but kept separate and separately - accounted for. All items of receipts and expenditure should without reserve be brought on the General Cash Book then and there as the transactions take place.

April '19. Rs.10/- from the Deputy Commissioner impreet.

Sept.'19. Rs.400/- from the treasury.

DAY BOOK

(6) This Book shows only the number of bags received and not their quantity and cost, in the case of receipts, though for issues all the information necessary is available.

STOCK ACCOUNT.

(7) Many accepted invoices for stock supplied to the several Depots were not produced during audit. As a rule, acknowledgments of consignees should be obtained in support of the debit in the Day Book and the Stock Account and filed with the office copy of the invoices.

(8) From the stock account attached, it will be seen that large differences exist between the stock issues as shown in the Food Controller's ledger and the Depot accounts both under quantities and cost, due it is stated, to the absence of regular invoices accompanying each consignment. Even in the case of supplies from the Provincial

Provincial Depot, Bangalore, from which invoices have been received in almost all cases, such - differences exist, as may be seen from the fact that against 2779 pallas and 36 seers of rice costing Rs.54,654-4-7 issued by the Provincial Depot, the District Depot Officer shows a credit of 2761 pallas and 28½ seers, and Rs.52,975-5-5 respectively in his final report to the Deputy Commissioner. It may, however, be stated that the former figures only are shown in the Day - Book and ledger. But how the latter figures were arrived at was not explained. One peculiarity noticed in the Stock Account of this Depot is that while the issues are shown in bags and lbs. the receipts are shown inbags only, and consequently the actual quantity received either in pallas and seers or in weight is not shown in the Stock Account'.

(8) Anotherpeculiarity is that in several cases the qunatity shown as issued is also taken as the quantity received, which means that the - collection is taken for the demand. So, even supposing that the stock received was sold for Rs.52,975-5-5, the circumstances under which a loss of Rs.1,678-15-2 was incurred are not understood. No order was produced sanctioning sales at concession rates.

(9) In the case of consignments received from Madras direct from Messrs.wilson & Co.,it will be seen that a difference of Rs.10,165-9-6 exists between the amount debited by the Food Controller

Food Controller and that credited in the District Depot accounts, due mainly to the fact that the value of the consignments is taken not at so much per bag as intimated by the Food Controller from time to time, but on the actual stock issued for sale, calculated in proportion to their weigh For example, the first consignment of 2702 bags of whole rice out of the May allotment for which the Food Controller has debited Rs.33,159-6-0 at Rs.12-4-6 per bag, including cart hire, is credited in the District Depot accounts for Rs.~~32~~, 1840-6-4 calculated at Rs.12-8-0 per 164 lbs.~~mark~~. weight.

(10) Similarly, in the case of the consignment o 5480 bags (8,84,999 lbs.) the cost price taken by the District Depot is Rs.67,454-3-0 calculated at Rs.12-8-0 per 164 lbs. weight. But on what basis this rate was adopted is not understood, for under Food Controller's circular No.A12544-50 dated 26-6-'19 the Food Controller has charged Rs.17-13-0 per bag of 225 lbs. He has debited Rs.69,284-4-8 as the cost of 6,75,175 lbs. at the above rate, while the District Depot has credited Rs.1,830/- and odd less though the stock credite is 9,824 lbs. more. This anamoly is due to the fact that the cost price per 164 lbs.weight at Rs.17-13-0 for 225 lbs. comes to Rs.12-15-9, whil the rate shown in the District Depot accounts is Rs.12-8-0 or Rs.0-7-9 less per bag.

(11) The case of 8,847 bags received out of the October Allotment also deserves mention. The Foo Controller has debited Rs.1,41,552/- at Rs.16/-

Rs.16/- per bag, while the District Depot has credited in its accounts Rs.1,33,752-4-4 for 18,80,596 lbs.(being the quantity issued out of that consignment) calculated at Rs.16/- per 225 lbs weight. The weight as shown in the Railway Invoice is 23,110 maunds and 21 seers, which converted at Rs.82 2/7 lbs per maund gives 19,01,664 lbs. But in his report to the Deputy Commissione the District Depot Officer has in column 11 of his statement No.1 attached, remarked (1) that, 2 bags were received short, (2) that 324 bags were emptied in converting slack bags into full bags (3) that 29 bags were transferred to the Broken rice account against 13 bags transferred fromit, (4) that one bag contained Beans and another six damaged rice. From this, it has to be inferred that the total number of full bags -- (225lbs) received in the Deppt was (8847+13) - (2 +324+ 29+ 7) or 8498 giving a total weight of 19,12,050 lbs. There are thus three figures,viz.,the invoice weight 19,01,664 lbs (equivalent of 23,110½ maunds) the weight of 8498 full bags of 22t lbs or 19,12,050 lbs and 18,80,596 lbs shown as actual weight in the - District Depot accounts. But as the last figure represents only the quantity of stock issued it is a matter for consideration as to which of the first two figures should be taken to -- account. The District Depot Officer having stated that 324 bags were emptied for converting slack bags into full bags,the 8498 bags referred to abovemust be taken as full bags and the weight thereof viz.,19,12,050 lbs taken as actual weight

So, in this consignment alone, 31,454 lbs have to be accounted for. As the exact quantity of all the consignments is not ascertainable (even Railway weights in some cases are not known) it is not possible to say with certainty how much has still to be accounted for. The loss to Government in this consignment alone is Rs. 2,236-11-0 being the cost of 31,454 lbs referred to above and also the cost of 326 bags at Rs.16/ or 5,216 plus Rs.2,236-11-0 or over Rs.7;450 in round figures.

Ledgers.

(12) The importance of these accounts has not been properly understood. Large stocks have been issued to all the Taluk Depots in the District and as these Depots have remitted their respective sale-proceeds direct to the Food Controller without intimating such payments to the District Depot, their accounts are all outstanding in the accounts of this Depot. It was, therefore, not possible to close and balance them. Instead of showing all these Depots as ~~Debtors~~ Debtors to the District Depot, the stock supplied to them has been shown under 'Transfers' in the annexed Stock Account and Balance Sheet and each of them has been treated as a separate and independent Disburser.

General.

6. Contingent charges have been noted in a - Rough 'To' Register and the folios thereof are not numbered. It is not clear why the special form prescribed for this purpose was not used.

7. A Statement of the Advance Account, Account Current, a Stock Account, and a Balance Sheet - prepared for the entire period are herein enclosed fromwhich it will be seen that the transactions have resulted in a net loss of Rs.2,018-15-10 to Government. It will not be out of place to mention here that the report submitted to the Deputy Commissioner by the District Depot Officer, a net profit of Rs.10,000/- and odd is shown as having been realised, but none ofthe figures shown in the several statements attached to that report is reconcilable.

8. The difference of Rs.12,000/- and odd between the District Depot Officer's report viz., net profit of Rs.10,861-7-7 and the net lossof Rs.2018-15-10 as shown in this report is mainly due to the fact that the cost of several consignments received from the Food Controller is credited in the Depot Accounts far short of the amounts debited by the Food Controller viz., Rs.4,77,545-13-0 against Rs.4,90,381-9-11. Such difference could have been avoided if regular invoices or bills specifying quantity and cost had been sent by the Food Controller as promised in his circular instructions.

Bangalore,

1920.

Assistant Comptroller.

M.N./4

Statement of the Advance Account of the District Grain Depot. Bangalore,...in connection with Food Supply arrangements for the period ending 15th January 1920....

	Rs.	a.	p.	Rs.	a.	p.
1. Particulars of amounts sanctioned...						
2. Total advances sanctioned						
3. Particulars of drawings and purchases:—						
(a) Drawings against allotments sanctioned:—	400	0	0			
(b) Cash from Provincial Grain Depot, Bangalore	3,917	1	3			
(B) Transfers from other Disbursers						
From Food Controller	4,91,366	3	10			
(b) Transfers from other disbursers..						
3a. Purchases to be paid for						
4. Total of amounts drawn as per 3 & 3a						
5. Particulars of amounts refunded ...						
To Treasury				400	0	0
To Provincial Depot, Bangalore ..				3,817	1	3
To Food Controller				2,69,645	13	3
Transfer to other Depots ...						
6. Total of amounts refunded including transfers						

Statement of Receipts and Expenditure of the District Grain Depot, Bangalore, for the period ending the 15th January 1920.

Receipts.

To Sale Proceeds.	2,59,789	10	
To advances received from the Provincial Depot.	3,917	1	
To Advances drawn from Treasury	400	0	
To sale proceeds (adjustment)	29,362	8	

By remittance to the	rovincial Depot	72,562	7	8
By remittance to the	ank of Mysore	1,67,720	13	7
By -do- (adjustme	) -do-	29,382	8	0
By advances refunded		817	1	3
By Carthire and Cool		2,969	15	3
By Railway freight,	id	18,943	6	0
By remittance to the fund of advance d	reasury, in re- m	400	0	0
By Contingent charge	incurred	434	8	0
By rent of Godowns		258	7	9
	Total	2,93,469	3	6

Assistant Comptroller.

Statement of Stock Account of the Bangalore District Depot, Bangalore, for the period ending 15th January 1920.

STOCK RECEIPTS.								
From the Provincial Depot.		54,654	4	7				
From -do,		4,679	6	10				
From Madras harbour direct		4,31,047	14	6				
		4,90,381	9	11				
Transfers from Taluks:-								
Closepet, 56 bags broken and 1 bag whole rice		652	13	11				
Nelmangala, 36 bags brokens		331	12	0				
Total (a)		4,91,366	3	10				
Deduct Trabsfers:-								
To Taluks and City Municipality	2,22,423		0	4				
To Provincial Depot	378		6	5				
Total (b)	2,22,801		6	9				
Balance retained in the Depot. (a) - (b)					2,68,564	13	1	
Cart hire and Cooly					2,969	15	3	
Railway Freight					18,943	6	0	
Contingent Charges					434	8	0	
Rent of Go-downs					258	7	9	
					2,91,171	2	1	
By sale proceeds							2,59,789	10 3
By -do- (adjustment)							29,362	8 0
By Net Loss							2,018	15 10
							2,91,171	2 1

Assistant Comptroller.

Balance Sheet of the District Grain Depot, Bangalore, as on the 15th January 1920.

Liabilities.					Assets.			
Value of stock received from the Food Controller.		4,90,381	9	11				
-do- from Taluks		984	9	11			2,018	15 10
		4,91,366	3	10				
Cash advances from the Provincial Depot		3,100	0	0				
Total		4,94,466	3	10				
Deduct:-								
Remittances to bank of Mysore	1,97,083 5 7							
-do-to the Pro:Depot	72,562 7 8							
Returns	378 6 5							
Transfers	2,22,423 0 4	4,92,447	4	0				
Balance due to the Food Controller		2,018	15	10				
Total		2,018	15	10	Total		2,018	15 10

Assistant Comptroller.

Statement of Stock receipts in the Bangalore District Depot, for the period ending 15th January 1920.

Month.	From whom received	No. of bags	Weight as per Ry. Invoice.	Actual weight received.	Weight as per F.C.'s ledger.	Cost price as shown in the Depot account			Cost as per Food Controller's ledger.			Remarks.
May '19.	Pro. Depot.	2,702	..	4,30,866	By bags.	32,840	6	4	33,159	6	0	The Food Controller has calculated @ Rs. 12/4/6 per bag, while the Depot has calculated @ Rs. 12/8/0 per 164 lbs. received.
-do-	Madras Haji Abdulla	1,100	2,962-35	2,41,660	-do-	13,980	10	7	13,570	6	8	
June	Madras. A.R	5,480	8,75,170 lbs.	8,84,999	8,75,170	67,454	3	1	69,284	4	8	1 bag broken transferre to Brokens.
"	"	1		113		7	3	5				
July	Madras	2,085	5,151-28	4,62,823	4,59,053	34,261	5	11	33,974	6	8	
Aug.	Pro: Depot	200	..	44,425	44,425	3,566	5	5	3,566	5	5	
"	-do-	100	..	19,183	19,183	1,099	8	3	1,113	1	5	
"	Madras Br.	1,640	4,117-1	3,31,651	3,28,371	17,094	14	8	16,919	1	10	
"	Pro: Depot	458		1,02,081	..	7,259	1	6				
"	Madras. Wilson Co.	475	1,299-7	1,05,554		7,506	1	0	7,600	0	0	
"	-do-	3,535	..	6,85,445		49,604	5	9	57,053	12	0	1 bag damaged.
Sppt:	-do-	2,090	5,893-25	4,56,235		32,443	6	0	33,946	4	0	
"	Pro: Depot.	91	17,380	17,380	17,380	996	2	9	996	2	9	
"	-do-	502	1,02,880	1,02,880	1,02,880	6,555	2	3	6,554	0	11	The correct figure is Rs. 6,555-7-5.
"	-do-	83	16,673	16,673	16,673	950	9	6	950	9	0	Rs. 950/9/- is correct.
"	-do-	445	..	90,488	..	4,634	12	0	4,672	8	0	@ Rs. 10/8 per bag.
	Total Carried Over.					80,154	2	5	2,83,360	5	4	

Month.	From whom received.	No. of bags.	Weight as per Ry. invoice.	Actual weight received.	Weight as per F.C.'s ledgers.	Cost price as shown in the Depot account			Cost as per Food Controller's ledger.			Remarks.
Brought forward						2,80,154	2	5	2,83,360	5	4	
Oct.	Wilson Co. Madras. Whole	8,847	23,110½ mds, or 19,01,664 lbs.	18,80,596 lbs.		1,33,752	4	4	1,41,552	0	0	@ Rs. 16/- per bag.
	Wilson Co Brokens	1,030	..	2,00915		10,240	13	0	10,815	0	0	@ Rs. 10/8/- per bag.
Total						4,24,147	3	9	4,35,727	5	4	
Add Inter-District Transfers:-												
Closepet.	Whole	1	315 lbs.			25	0	0	25	0	0	
--do-	Brokens.	56	10952 lbs.			627	13	11	627	13	11	
Nelmangala	-do-	36	5840 lbs.			331	12	0	331	12	0	
Total						4,25,131	13	8	4,36,711	15	3	
Add value of 33 bags Brokens found in whole rice						423	3	10				
GRAND TOTAL						4,25,555	1	6	4,36,711	15	3	

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Assistant Comptroller.

PPB-19-41/

Proceedings of the Government of H.H.
The Maharaja of Mysore.

35

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R e a d:-

Letter No.F.1820, dated 15th July 1920, from the Comptroller to Govt. submitting a report on the audit of accounts maintained in the District Depot, Bangalore in connection with the food supply operations for the period ending 15th January 1920 and bringing to notice (1) that the stock account had not been properly maintained, (2) that no ledger account had been maintained for the transactions with the Food Controller and (3) that the counterfoil receipts were full of unattested alterations etc., and reporting that the operations have resulted in a net loss of Rs.2,018-15-10 to Govt.

2. Unofficial Note No.22, dated 23rd October 1920, from the Food Controller.

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O r d e r No. G 10143-

Dated, Bangalore, 28 Decr. 1920.

R e c o r d e d

2. The principal defects referred to by the Comptroller are as follows:-

(i) that the accounts were not properly maintained,

(ii) that against the stock worth Rs.490381-9-11 the District Depot has taken credit for only --- Rs.4,77,545-13-0 and

(iii) that the transactions have resulted in a net loss of Rs.2,018-15-10.

Government agree with the Food Controller that the irregularities in the maintenance of accounts pointed out by the Comptroller could have been avoided if stricter supervision and proper guidance by the officers put in charge of the Depot had been exercised. The Deputy Commissioner's explanation that the frequent change of the Depot clerks was responsible for these irregularities is not altogether satisfactory.

4. As regards the large difference of Rs.12,836/- between the District Depot debits and the Food Controller's accounts, it is observed that this difference is attributable to some extent to the debits in the District Depots not agreeing with the debits in the Provincial Depot. In regard to the consignments from the Provincial Depot to the District Depots the latter were furnished with invoices and were required to debit themselves with the value of the quantity (weight) actually mentioned in the invoice and the sale price had to be fixed accordingly. This was not done by the District Depot and the preperation of their accounts on the issues made by them has resulted in this difference. // In the matter of accounting for supplies received through licensed importers the same disregard for the Food Controller's instructions as regards weighment of whole bags and slack bags and fixing the sale price on the quantity thus ascertained, has resulted in actual loss to Government, the sale price having apparently been lower than what it should have been if the quantity in the bags had not been taken on trust.

As regards supplies received ~~xxxxx~~direct from Madras out of imports by the Govt., the District Depot should have debited themselves ~~itself~~ in accordance with the instructions of the Food Controller according to ~~xx~~ the rates fixed and intimated to it with reference to the number of bags supplied irrespective of the actual quantity contained therein as this was the understanding on which the transactions rested. The non-observance of these instructions and the preparation of the accounts by the District Depot on the same lines as regards supplies from the Provincial Depot have apparently contributed to ~~xxxxx~~ the large difference noticed by the --- Comptroller.

6. Government are satisfied with the explanation of the Food Controller that the net loss amounts ~~only~~ to Rs. 1199 ~~/-~~ and not Rs. 2018/- and ~~odd~~ ~~which~~ // The Deputy Commissioner's attention is drawn to the several irregularities pointed out by the Comptroller, and with the remark that what should have been a -- profitable transaction to Government has for want of supervision, care and due regard to the instructions issued by the Food Controller on the part of the District Authorities, ended in a net loss. ~~of~~ This is ~~very~~ unsatisfactory ~~and Govern-~~ ~~ment direct that suitable notice of the official~~

This loss will be charged off to the provision made for loss on Food control operations

cccy. 15.1.21

cbs 20/12

Mr Chief Secretary, Govt.

18/12

To

The Comptroller to Govt.
The Food Controller in Mysore.
The Deputy Commissioner, Bangalore. Dist